

EXHIBIT I-2
SAMPLE YEAR-END TASK LIST

Activity	Due Date	Responsibility	Date Completed	Comments
A. BEFORE JUNE 30:				
Perform reconciliations	Ongoing	Recon. Unit		
Distribute Year-end Letters (Exhibit I-3)	3/16	A. O. (Accounting Officer)		
Review Appropriation Symbol Table Reversion Indicators	3/20	Tables Unit		
Review Reverting Documents	3/31	A/R Unit		
Review and adjust outstanding documents:				
Payables	4/1	Pay Unit		
Receivables	5/31	A/R Unit		
Encumbrances	5/31	Enc. Unit		
Claims Filed	6/30	Pay Unit		
ORF	6/30	ORF Unit		
Review subsidiary codes	5/31	A/R Unit		
Review other areas:				
Plans of Financial Adjustment	5/31	A. O.		
Fixed Assets	5/31	A. O.		
SWCAP and Pro Rata charges	5/31	A. O.		
Abnormal Balances	5/31	A. O.		
GL for Payroll Clearing	6/10	A. O.		
Claims in Process	6/30	G.L. Unit		
Establish New Year tables:	Start 5/31	Tables Unit		
Generate and Add function				
Active/inactive indicator				
Organization Control Table maintenance				
Appropriation Symbol Table maintenance				
Budget Sequence Table maintenance				
Index Code Table maintenance				
PCA Table maintenance				
Cost Allocation Table maintenance				
Labor Distribution Tables maintenance (LC and EM)				
Project Control Table maintenance				
Vendor Edit Table maintenance				
Prepare final reverting year PFA	6/15	A. O.		
Cut-off claim scheduling	6/29	Pay Unit		
Cut-off encumbrance documents	6/30	Pay Unit		
Cut-off accounts receivable invoicing	6/30	A/R Unit		
Deposit all cash receipts	6/30	Cashiers		
Develop and code new year transactions	Ongoing	Bud/Pay Unit		

EXHIBIT I-2 (CONTINUED)
SAMPLE YEAR-END TASK LIST

Activity	Due Date	Responsibility	Date Completed	Comments
B. AFTER JUNE 30:				
Change reversion date for Clearing Account A/S and other reverting appropriations to 9/30, if needed.	7/1	Tables Unit		
Run Labor Distribution (FM 12)	7/6	A. O.		
Run CA/FS and reports (FM 12)	7/10	A. O.		
Close FM 12	7/13	A. O.		
Year-End Adjusting entries:				
A1: Record Undeposited Receipts	7/13	A. O.		
A2: Adjust Revolving Fund Cash Account	7/13	ORF Unit		
A3: Reimbursement and Abatement Accruals	7/13	Recon. Unit		
A5: Accrue Interest Earnings on Investments	7/13	A.O.		
A6: Record Interest Due From Other Funds	7/13	A.O.		
A7: Abatements for Surveyed Equipment	7/14	A. O.		
A8: Accrual of Expenditures	7/14	Pay Unit		
A9: Record Revenue Accruals	7/14	Recon. Unit		
A10: Adjustment for Dishonored Checks	7/14	A. O.		
A12: Establish Reserve for Deferred A/R for Abatements and Reimbursements	7/14	Recon. Unit		
Reload FM 12 Stats (if used)	7/20	A. O.		
Run CA/FS (FM 13)	7/21	A. O.		
Request FM 13 Reports	7/24	A. O.		
Review YE adjustments after final CA/FS (FM 13)	7/24	Bud/A. O.		
Prepare FM 13 SCO reconciliation	7/25	Recon. Unit		
Record Year-End PFA	7/25	A. O.		
Reclassify encumbrances	7/25	A. O.		
Reclassify Allocated Encumbrances in Administration	7/25	A. O.		
Record subsidiaries for GLAs 1600 and 1390	7/25	A. O.		
Review Fund Balance GLA on G02 and reclassify if necessary	7/25	A. O.		
Analyze and adjust G01 accounts with abnormal balances	7/25	A. O.		
Request final FM 13 reports	7/26	A. O.		
Prepare final FM 13 Reconciliations	7/27	A. O.		
Prepare and balance Report 2 Accrual Worksheet and Report 15	7/27	Fin. Rpt. Unit		
Request Reports for year-end statements	7/27	A. O.		
Prepare Report Numbers 1,3,4 and 5	7/28	Fin. Rpt. Unit		

EXHIBIT I-2 (CONTINUED)
SAMPLE YEAR-END TASK LIST

Activity	Due Date	Responsibility	Date Completed	Comments
B. AFTER JUNE 30: (Continued)				
Submit Year-End statements:				
General	7/31	A. O.		
Federal	8/3	A. O.		
Special Deposit Fund	8/3	A. O.		
Other Funds	8/3	A. O.		
Reset OC Table indicators and run July (FM01)	8/13	A.O.		
Complete report requests for Prior Year	8/14	A. O.		
Submit copy of CSTARN10 to Budget Staff for Past-Year Schedule 10 Reporting	8/15	A.O.		
Set OC Table Indicators:				
ORF FFY CHG indicator	8/15	Tables Unit		
Uncleared Collection FFY change indicator	8/15	Tables Unit		
Allotment-File processing indicator	8/15	Tables Unit		
Change A/S reversion dates back to 6/30	8/15	Tables Unit		
Begin Automated Closing Process	8/20	Tables Unit		
Reversing Entries: ^{1/}				
Reversal of Standard Adjusting entries	9/1	A. O.		
Reversal of Year-End recording of PFA	9/1	A. O.		
Reversal of Encumbrance Reclassifications	9/2	A. O.		
Reversal of GLAs 1390 and 1600 subsidiaries	9/2	A. O.		
Move ORF Advance	9/2	A. O.		
Prior fiscal year transactions in new year	Ongoing	All Units		
Begin reconciliations in the new year	Ongoing	Recon. Unit		

^{1/} **Reversing Entries** - These activities are not needed if the CALSTARS automated accrual batch reversal process is used. This process is described in Chapter II, section *Use Of Fiscal Month 13 For Year-End Adjustments* and Chapter VI, section *Automated Year-End Open Process*.

State of California

M e m o r a n d u m

Date : March 16, 2001

To : **Division Chiefs**
Audit Office
Legal Office
Personnel Office

From : Example Department

Subject : Contingent Liabilities

The Accounting Office is currently working on the FY 2000-01 year-end closing process. One of the required year-end financial reports is the "Report of Contingent Liabilities". Contingent liabilities are possible future claims against the State. Examples of contingent liabilities are pending litigation, audit exceptions, and worker's compensation claims. Contingent liabilities must be reported by each agency, and should identify the type of liability, the case number or identification number, the potential dollar amount, and a possible payment date.

Please advise U. R. Dunne, Accounting Administrator, in writing no later than July 15, 2001, of any contingent liabilities against the department as of June 30, 2001. If you have any questions, please contact U. R. Dunne at 445-5555.

RECLASSIFY/LIQUIDATE REVERTING APPROPRIATION DOCUMENT FILE BALANCES

Reverting appropriations are those appropriations that will revert on or before June 30. These appropriations can be identified on the SCO Agency Reconciliation Report as those with current end dates of June 30 or earlier. This includes prior year revenue appropriations. Appropriations reverting on or before June 30 cannot have outstanding receivable, payable or encumbrance documents. Beginning as early as January, agencies should try to clear these documents. Receivable documents that will not be cleared by June 30 must be reclassified to GLA 1600-Provision for Deferred Receivables. Payable and encumbrance documents must be closed (or moved to another appropriation, as appropriate) by June 30.

CALSTARS provides two automated processes (CFY022 - Document File Reclassification/Liquidation and CFY023 - Revenue Reversal/Reclassification) to assist agencies to identify, liquidate and/or reclassify documents within reverting appropriations. These two processes use the Appropriation Symbol (AS) Table Reversion Indicator and Reversion Date to determine which appropriations will revert on or before June 30. To use these automated processes for appropriations that will revert on or before June 30, the AS Table must be coded as follows by the end of March:

- (1) Set the Reversion Indicator to **1**.
- (2) Set the Reversion Date to June 30, 20**nn** (*nn*= current calendar year) or earlier.

NOTE: To avoid EA7 error, AP Date Not In Range, change the reversion date for the Clearing Account and other appropriations, if needed, to 9/30/*nn* prior to running FM 12 cost allocation. The date must be changed back to 6/30/*nn* prior to YEC and YEO.

CFY022 - Document File Reclassification/Liquidation Process

The CFY022 - Document File Reclassification/Liquidation Process generates transactions in reverting appropriations to:

- ✪ Reclassify valid Accounts Receivable - Abatements and Reimbursements to GLA 1600-Provision for Deferred Receivables; and
- ✪ Liquidate encumbrances.

These transactions are generated for all appropriations identified as reverting appropriations as described in the previous section *Reclassify/Liquidate Reverting Appropriation Document File Balances*. Exhibit I-4 lists the records selected by the CFY022 process and shows the decisions and resulting outputs. These outputs include:

- ✪ Transactions generated to reclassify abatement and reimbursement receivables (creates the A-4 year-end adjusting entries required by SAM Section 10603);

- ✧ Transactions generated to liquidate encumbrances; or
- ✧ Messages printed on the CFY022-1 Exception Report for review and possible action by the agency.

The CFY022 process includes the following three steps:

- ✧ In early April, the CFY022 program produces the first "Reports Only Run", which provides a listing of all documents within the Document File subject to reversion or requiring agency action. Agencies should liquidate, adjust or correct these documents as appropriate.
- ✧ In late April, the CFY022 program produces a second "Reports Only Run" to enable agencies to review the corrections made as a result of the first run. Final adjustments must be made prior to the first of May.
- ✧ During the first week in May, CALSTARS generates transactions to liquidate the remaining encumbrances and post A-4 entries for the remaining reverting abatement and reimbursement receivables documents. CALSTARS assigns Batch Type **YQ** for these entries and posts them in the prior month (FM10-April). Cost Allocation/Fund Split for April will not be available to run until after this posting.

CFY022 Transactions

The encumbrance liquidation transactions are posted with TC 210 or 212. The A-4 entries consist of two transactions for each outstanding receivable document.

		<u>GLA</u>	
		<u>Debit</u>	<u>Credit</u>
First transaction:	(TC 555, 572 or 574)	9000	A/R
	OR		
	(TC 556, 573 or 575)	8100	A/R
Second transaction:	(TC 576)	1319	1600
	OR		
	(TC 577)	1600	1319

The first transaction reverses the accounts receivable reimbursement or abatement document from the reverting appropriation. The second transaction reestablishes the document as a deferred receivable. Because a deferred receivable has no nominal account impact, the second transaction establishes A/R Other entries without an Appropriation Symbol; however, they carry the original FFY, Document Number/Suffix, Fund, Fund Source, Fund Detail, Source and Agency Source Code, and Vendor Number. The Fund used in the transaction is the disbursing fund of the PCA originally recorded with the documents except that all transactions in the Clearing Account (Fund Source **D**) have "?????" displayed as the fund number. This causes the TC 576 or TC 577 entry to go to the error file during the IEUP Cycle. The transaction is flagged with the error message, "EF3- FUND NOT IN D22". The agency must correct the entry by supplying the appropriate ultimate fund and fund source.

EXHIBIT I-4
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY022
ACCOUNTS RECEIVABLE-ABATEMENTS AND ACCOUNTS RECEIVABLE-REIMBURSEMENTS

REVERSION INDICATOR	AS TABLE END DATE	GL ACCT NUMBER	SOURCE CODE	REPORT ONLY RUNS	REPORT AND TRANSACTION GENERATION RUN
1	Equal to or before current year end date	1311	580000-589999	Print the record	Generate reclassification transactions: TC 555 & TC 576 If amount is > 0 TC 555(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			000000-579999 590000-999999	Print the record with message: 'INVALID SOURCE CODE'	Print the record with message: 'INVALID SOURCE CODE' on the CFY022-1 Exception Report
		1312	900000-999999	Print the record	Generate reclassification transactions: TC 556 & TC 576 If amount is > 0 TC 556(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			000000-899999	Print the record with message: 'INVALID SOURCE CODE'	Print the record with message: 'INVALID SOURCE CODE' on the CFY022-1 Exception Report
		1400	580000-589999	Print the record	Generate reclassification transactions: TC 572 & TC 576 If amount is > 0 TC 572(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			900000-999999	Print the record	Generate reclassification transactions: TC 573 & TC 576 If amount is > 0 TC 573(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			000000-579999 590000-899999	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION'	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION' on the CFY022-1 Exception Report
		1500	580000-589999	Print the record	Generate reclassification transactions: TC 574 & TC 576 If amount is > 0 TC 574(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'

EXHIBIT I-4 (Continued)
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY022 (Continued)
ACCOUNTS RECEIVABLE-ABATEMENTS AND ACCOUNTS RECEIVABLE-REIMBURSEMENTS

REVERSION INDICATOR	AS TABLE END DATE	GL ACCT NUMBER	SOURCE CODE	REPORT ONLY RUNS	REPORT AND TRANSACTION GENERATION RUN
1 (Cont.)	Equal to or before current year end date (Cont.)	1500 (Cont.)	000000-579999 590000-899999	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION'	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION' on the CFY022-1 Exception Report
			900000-999999	Print the record	Generate reclassification transactions: TC 575 & TC 576 If amount is > 0 TC 575(r) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
		3010,3110, 3210,3220, 3290	All	Print the record with message: 'DOC REQUIRES AGENCY ACTION'	Print the record with message: 'DOC REQUIRES AGENCY ACTION' on the CFY022-1 Exception Report
		6150	All	Print the record	Generate liquidation transactions: TC 210 If amount is > 0 TC 212 If amount is < 0 Print the transaction values with message: 'LIQ. TRANS GENERATED'
		6170	All	Print the record with message: 'GLA NOT SUPPORTED AT YEC'	Print the record with message: 'GLA NOT SUPPORTED AT YEC' on the CFY022-1 Exception Report
		All other DF GL Accounts	All	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION'	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION' on the CFY022-1 Exception Report
	After current year end date	All	All	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB'	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB' on the CFY022-1 Exception Report
0, 2 or 9	Equal to or before current year end date	All	All	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB'	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB' on the CFY022-1 Exception Report
	After current year end date	All	All	Do nothing	Do nothing
(BLANK)	(No AS Table record present)	All except 1319 & 3730	All	Print the record with message: 'NO APPN SYM REC'	Print the record with message: 'NO APPN SYM REC' on the CFY022-1 Exception Report

Agencies that want to manually post the reclassification and liquidation entries should use the first Reports Only Run to identify the documents that must be reclassified/liquidated and post the desired transactions before the second Reports Only Run. The second Reports Only Run may then be used to verify that the documents have been reclassified/liquidated. All manual reclassification and liquidation entries must be posted prior to the Transactions Run to prevent automated transactions from being posted.

CFY022 Reports

Reports generated by the CFY022 program are:

Reports Only Run (Run twice in April)

CFY022-1 CALSTARS DOCUMENT FILE RECLASSIFICATION/
LIQUIDATION PROCESS REPORT REPORTS ONLY RUN -
EXCEPTION REPORT (See Exhibit I-5)

For appropriations properly identified as reverting, this report lists outstanding A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that cannot be reclassified or liquidated due to exceptions. These items require agency action.

NOTE: The CFY022 process only reclassifies abatement and reimbursement receivables and liquidates encumbrances. However, if other documents are recorded against reverting appropriations they are also listed on the CFY022-1 Report with the message 'DOC MAY REQUIRE AGENCY ACTION'.

CFY022-2 CALSTARS DOCUMENT FILE RECLASSIFICATION/
LIQUIDATION PROCESS REPORT REPORTS ONLY RUN -
RECLASS REPORT (See Exhibit I-5)

For appropriations properly identified as reverting, this report lists A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that meet the criteria for reclassification or liquidation during the "Transaction Run".

CFY022-4 CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION
PROCESS REPORT REPORTS ONLY RUN - CONTROL REPORT
(See Exhibit I-6)

Displays a count of records selected from the Document File; Document records with errors; and Document records to be reclassified to A/R-Other or liquidated.

Transaction Run (Run the first week of May)

CFY022-1 CALSTARS DOCUMENT FILE RECLASSIFICATION/
LIQUIDATION PROCESS REPORT TRANSACTION RUN -
EXCEPTION REPORT (See Exhibit I-6)

For appropriations properly identified as reverting, this report lists outstanding A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that cannot be reclassified or liquidated due to exceptions. These items require agency action.

NOTE: The CFY022 process only reclassifies abatement and reimbursement receivables and liquidates encumbrances. However, if other documents are recorded against reverting appropriations they are also listed on the CFY022-1 Report with the message 'DOC MAY REQUIRE AGENCY ACTION'.

CFY022-3 CALSTARS DOCUMENT FILE RECLASSIFICATION/
LIQUIDATION PROCESS REPORT TRANSACTION RUN -
TRANSACTIONS GENERATED (See Exhibit I-6)

For reverting appropriations, this report displays reversal and reclassification transactions generated for A/R-Abatements and A/R-Reimbursements as well as any encumbrance liquidations.

CFY022-4 CALSTARS DOCUMENT FILE RECLASSIFICATION/
LIQUIDATION PROCESS REPORT TRANSACTION RUN -
CONTROL REPORT (See Exhibit I-7)

Displays a count of: Total records selected from the Document File; Document records with errors; Document records to be reclassified to A/R-Other or liquidated; Reversal transactions generated; Reclassification transactions generated; Liquidation transactions generated; Batch headers generated; and Total transactions generated.

EXHIBIT I-5
REPORTS ONLY RUN (Run twice in April)

Sample Exception Report

```

CFY022-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
04/03/03 (10.06) ***** RUN PAGE: 2
                                REPORT ONLY RUN - EXCEPTION REPORT
..... (SORT ORDER) .....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      INDEX PCA      OBJ      SOURCE
000  00  0250 1400  JE-18155-00          580200          00-09-26 00-10-09      800,000.00 NO APPN SYM REC
000  00  0251 1400  JE-43976-00          580200          00-02-28 00-02-28      600,000.00 NO APPN SYM REC
806  00  0482 1311  INV00001-85 XXXXXXXXXXXX-00          00-06-30 00-07-22      21,450.00 INVALID SOURCE CODE
      0600 80840          125600

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Sample Reclassification Report

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CFY022-2 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
04/03/03 (10.06) ***** RUN PAGE: 2
                                REPORT ONLY RUN - RECLASS/LIQUIDATION REPORT
..... (SORT ORDER) .....
APPN FFY FUND GLAN  DOC-NUM-SUF  INDEX PCA      OBJ      SOURCE  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT
025  00  0014 1312  CSTI-413-00  1000  73560  201  991937  BDL0000027-00          01-02-21 01-02-28      40.00
025  00  0014 1400  CSTI-562-00  1000  73560          991937          00-09-10 02-09-21      300.00
091  98  0001 1500  FEDREIMB-01  1000  70845          995951          99-06-30 00-02-11     52,104.00
091  98  0001 1500  FEDREIMB-02  1000  70845          995951          99-06-30 00-02-11     634,274.00

```

EXHIBIT I-6
TRANSACTIONS RUN (Run once in the first week of May)

Sample Exception Report

```

CFY022-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
05/06/03 (10.06) ***** RUN PAGE: 2
                                TRANSACTION RUN - EXCEPTION REPORT
..... (SORT ORDER) .....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      INDEX PCA      OBJ    SOURCE
000  00  0250 1400   JE-18155-00              00-09-26  00-10-09      800,000.00  NO APPN SYM REC
                                580200
000  00  0251 1400   JE-43976-00              00-02-28  00-02-28      600,000.00  NO APPN SYM REC
                                580200
806  00  0482 1311   INV00001-85  XXXXXXXXXX-00  00-06-30  00-07-22      21,450.00  INVALID SOURCE CODE
                                0600  80840      125600

```

Sample Transactions Generated Report

```

CFY022-3 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
05/06/03 (10.06) ***** RUN PAGE: 2
                                TRANSACTION RUN - TRANSACTIONS GENERATED
..... (SORT ORDER) .....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      TC  R   INDEX PCA      OBJ    SOURCE  A-SRC SUB-ACCOUNT  TRANS-AMOUNT
091  98  0001 1500   FEDREIMB-01              99-06-30  00-02-11      52,104.00  RECLASS TRANS GENERATED
      575      1000  70845      995951      15100000      52,104.00
      576                                52,104.00
091  98  0001 1500   FEDREIMB-02              99-06-30  00-02-11      634,274.00  RECLASS TRANS GENERATED
      575      1000  70845      995951      15100000      634,274.00
      576                                634,274.00

```

EXHIBIT I-7
CONTROL REPORTS

Reports Only Run

```
CFY022-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 33
04/03/01 (10.06) ***** RUN PAGE: 272
                                REPORT ONLY RUN - CONTROL REPORT
-----
                                TOTAL DOCUMENT RECORDS SELECTED: 28
                                TOTAL RECORDS WITH ERRORS: 12
                                TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED: 16
-----
```

Transactions Run

```
CFY022-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 30
05/06/01 (10.06) ***** RUN PAGE: 253
                                TRANSACTION RUN - CONTROL REPORT
-----
                                TOTAL DOCUMENT RECORDS SELECTED: 25
                                TOTAL RECORDS WITH ERRORS: 10
                                TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED: 15

                                REVERSAL TRANSACTIONS GENERATED: 7
                                RECLASS TRANSACTIONS GENERATED: 7
                                LIQUIDATION TRANSACTIONS GENERATED: 8
                                TOTAL BATCH HEADERS GENERATED: 1
                                TOTAL TRANSACTION GENERATED: ----- 23
-----
```

Cash Receipts Process After CFY022

After the automated reclassification is completed, agencies must modify their cash receipt process for those reclassified documents until the end of the fiscal year. For example, if an accounts receivable abatement document is reclassified, the document now resides in GLA 1319-Accounts Receivable Other, with the offset in GLA 1600-Provision for Deferred Receivables. However, if collected prior to June 30, the collection will still be treated at an abatement. The appropriate entries after the reclassification but before June 30 (providing that the SCO receives and records the remittance advice by June 30) are:

For Abatements:

TC 104 - Record Cash Receipts as Expenditure Abatements

Dr. 1110 General Cash

Cr. 9000 Expenditures

AND

TC 469 - Liquidate Accounts Receivable-Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

NOTE: If recording TC 104 after May Cost Allocation/Fund Split is run, override transaction to the ultimate fund source.

For Reimbursements:

TC 102 - Record Cash Receipts as Reimbursements

Dr. 1110 General Cash

Cr. 8100 Reimbursements

AND

TC 469 - Liquidate Accounts Receivable-Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

If the SCO receives and records the remittance advice after June 30, the collection is treated as a refund to reverted appropriations. The appropriate entries with Source code **570000** are:

For Abatements and Reimbursements:

TC 107 - Record Cash Receipts as Refunds to Reverted Appropriations

Dr. 1110 General Cash

Cr. 9891 Refunds to Reverted Appropriations

AND

TC 469 - Liquidate Accounts Receivable - Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

Agencies should not re-establish the original receivables.

CFY023 - Revenue Reversal/Reclassification

The CFY023 - Revenue Reversal/Reclassification Process generates transactions in reverting appropriations to reclassify revenue. These transactions are generated for all appropriations identified as reverting appropriations as described in the previous section *Reclassify/Liquidate Reverting Appropriation Document File Balances*. Exhibit I-8 lists the records selected by the CFY023 process and shows the decisions and resulting outputs. These outputs include:

- ✦ Transactions generated to reclassify Accounts Receivable - Revenue (creates the reverting appropriation portion of the A-9 year-end adjusting entries); or
- ✦ Messages printed on the CFY023-1 Exception Report for review and possible action by the agency.

The reclassification of Accounts Receivable - Revenue has been approved by the Fiscal Systems and Consulting Unit as follows:

- A. All non-Federal A/R-Revenue (Fund Source other than **F**) may be reclassified to GLA 1319 after one year or by the end of the second year. During FY 2002-03, for example, all non-Federal A/R-Revenues for FY 2001-02 or earlier may be reclassified.
- B. All Federal A/R-Revenue may be reclassified to GLA 1319 after five years. During FY 2002-03 for example, all Federal A/R-Revenue for the State FY 1998-99 or earlier may be reclassified.

The table below displays these rules:

Accounts Receivable-Revenue As of June 30, 2003:		
Fiscal Year	Non-Federal	Federal
2002-03	---	---
2001-02	Reclassify	---
2000-01	Reclassify	---
1999-00	Reclassify	---
1998-99	Reclassify	Reclassify
Prior	Reclassify	Reclassify

EXHIBIT I-8
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY023
ACCOUNTS RECEIVABLE-REVENUE RECLASSIFICATION

REV IND	ACTIVE IND	AS TABLE END DATE	GLA NUMBER	SOURCE CODE	REPORT ONLY RUNS	TRANSACTION GENERATION RUN
1	0	After last day of current year	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'BAD EFF-END-DTE/REVR IND COMBO'	Print the record with message: 'BAD EFF-END-DTE/REVR IND COMBO'
		Equal or before the last day of the current year	1313	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 460 GLA 1313 TC 576 GLA 1319 Amount negative: TC 460(R) GLA 1313 TC 577 GLA 1319
				Other source codes	Print the record with message: 'INVALID GL/SOURCE COMBO'	Print the record with message: 'INVALID GL/SOURCE COMBO'
			1314	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 461 GLA 1314 TC 576 GLA 1319 Amount negative: TC 461(R) GLA 1314 TC 577 GLA 1319
				Other source codes	Print the record with message: 'INVALID GL/SOURCE COMBO'	Print the record with message: 'INVALID GL/SOURCE COMBO'
			1400	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 473 GLA 1400 TC 576 GLA 1319 Amount negative: TC 473(R) GLA 1400 TC 577 GLA 1319
			1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 457 GLA 1500 TC 576 GLA 1319 Amount negative: TC 457(R) GLA 1500 TC 577 GLA 1319
	1	Any	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'INACTIVE APPN SYM'	Print the record with message: 'INACTIVE APPN SYM'

EXHIBIT I-8 (Continued)
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY023 (Continued)
ACCOUNTS RECEIVABLE-REVENUE RECLASSIFICATION (Continued)

REV IND	ACTIVE IND	AS TABLE END DATE	GLA NUMBER	SOURCE CODE	REPORT ONLY RUNS	TRANSACTION GENERATION RUN
3	If Fund is 0890 , treat like Reversion = 0 ; otherwise treat like Reversion = 1					
0 or 2 or 9	0	Equal or before the last day of the current year	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'BAD EFF-END-DTE/REVER IND COMBO'	Print the record with message: 'BAD EFF-END-DTE/REVER IND COMBO'
	1	Any	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'INACTIVE APPN SYM'	Print the record with message: 'INACTIVE APPN SYM'
BLANK or NO AS FOUND	NOT AVAIL- ABLE	Not available	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'NO APPN SYM RECORD'	Print the record with message: 'NO APPN SYM RECORD'

The CFY023 process includes the following three steps:

- ✪ In late May, the CFY023 program produces the first "Reports Only Run", which provides a listing of all documents within the Document File subject to reversion or requiring agency action. Agencies should liquidate, adjust or correct these documents as appropriate.
- ✪ In early June, the CFY023 program produces a second "Reports Only Run" to enable agencies to review the corrections made as a result of the first run. Final adjustments must be made prior to the end of June.
- ✪ Final processing day of June, CALSTARS generates transactions to post A-9 entries for the remaining reverting revenue receivables documents. CALSTARS assigns Batch Type **YP** for these entries and posts them in the current month (FM12-June).

CFY023 Transactions

The transactions generated by the CFY023 process are:

First transaction:

TC 460 - Record an adjustment decreasing A/R Revenue
Dr. 8000 Revenue/Operating Revenue
Cr. 1313 Accounts Receivable Revenue

OR

TC 461 - Record an adjustment decreasing A/R Operating Revenue
Dr. 8000 Revenue/Operating Revenue
Cr. 1314 Accounts Receivable Operating Revenue

OR

TC 473 - Adjustment decreasing Due from other funds - Revenue
Dr. 8000 Revenue/Operating Revenue
Cr. 1400 Due from Other Funds or Appropriations

OR

TC 457 - Rec Adjustment decreasing Due from other Govts - Revenue
Dr. 8000 Revenue/Operating Revenue
Cr. 1500 Due from Other Governments

Second transaction:

TC 576 - Establish Accounts Receivable Other
Dr. 1319 Accounts Receivable Other
Cr. 1600 Provision for Deferred Receivables

OR

TC 577 - Establish Credit Accounts Receivable Other
Dr. 1600 Provision for Deferred Receivables
Cr. 1319 Accounts Receivable Other

The first transaction reverses the original A/R revenue document from the Document File. The second transaction reestablishes the document as a deferred receivable in GLA 1319. The GLA 1319 entries are established without an Appropriation Symbol; however, they carry the original FFY, Document Number/Suffix, Fund, Fund Source, Fund Detail, Source and Agency Source Code, and Vendor Number.

Agencies that want to manually post the reclassification entries should use the first Reports Only Run to identify the documents that must be reclassified and post the desired transactions before the second Reports Only Run. The second Reports Only Run may then be used to verify that the documents have been reclassified. All manual reclassification entries must be posted prior to the Transactions Run to prevent automated transactions from being posted.

CFY023 Reports

The reports generated by this process are:

Reports Only Run (Run first in late May and again in early June)

CFY023-1 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS - REPORT REPORTS ONLY RUN - EXCEPTION
REPORT (See Exhibit I-9)

Lists A/R-Revenue documents in the Document File for reverting appropriations that have exceptions requiring agency action.

CFY023-2 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS REPORT - REPORTS ONLY RUN - RECLASS
REPORT (See Exhibit I-9)

Lists A/R-Revenue documents in the Document File for reverting appropriations that meet all criteria for reclassification to A/R-Other during the Transaction Run.

CFY023-4 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS REPORT - REPORTS ONLY RUN - CONTROL
REPORT (See Exhibit I-11)

Displays a count of: Total revenue records in the Document File; Document records not to be reclassified; Document records with errors; and Document records to be reclassified to A/R-Other.

Transaction Run (Run on last processing day of June)

CFY023-1 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS REPORT - TRANSACTION RUN - EXCEPTION
REPORT (See Exhibit I-10)

Lists A/R-Revenue documents in the Document File for reverting appropriations that have exceptions requiring agency action. These documents are not reclassified.

CFY023-3 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS REPORT - TRANSACTION RUN - TRANSACTIONS
GENERATED (See Exhibit I-10)

Displays both the reversal and reclassification transactions generated for each applicable A/R-Revenue record.

CFY023-4 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS REPORT - TRANSACTION RUN - CONTROL REPORT
(See Exhibit I-11)

Displays a count of: Total revenue records in the Document File; Document records not to be reclassified; Document records with errors; Document records to be reclassified to A/R-Other; Reversal transactions generated; Reclassification transactions generated; Batch headers generated; and Total transactions generated.

All data on these reports are sorted by Appropriation Symbol, FFY, and Document Number/Suffix. The Vendor information area on the reports displays the Vendor Number, if available, or the Vendor Name. The field is blank if there is no Vendor information.

NOTE: The CFY023 process does not generate null reports for agencies that do not have A/R Revenues in the Document File.

Cash Receipts Process After CFY023

When the receivable is subsequently collected, the A/R-Other must be liquidated and the cash received recorded as revenue in the prior fiscal year. The transactions are:

TC 469 - Liquidate Accounts Receivable Other (use original FFY)
Dr. 1600 Provision for Deferred Receivables
Cr. 1319 Accounts Receivable Other

AND

TC - 101 Record cash receipts as revenue-not billed (use prior FFY)
Dr. 1110 General Cash
Cr. 8000 Revenue/Operating Revenue

NOTE: Revenue receipts are always posted to Current Year or Prior Year Revenue. They are never posted to Refunds To Reverted Appropriations.

EXHIBIT I-9
REPORTS ONLY RUN - Late May and early June

Sample Exception Report

CFY023-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
 05/28/03 (16.23) ***** RUN PAGE: 1
 REPORT ONLY RUN - EXCEPTION REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE		
FUND FS	FD	MD	GLAN	INDEX	PCA	SOURCE	SUBSID	VENDOR INFO
980 01	90000181-00	010729	021030		310,116.13	BAD EFF-END-DTE / REVR-IND COMB		
0029 S	1 1313	9999	75029	125660		11111111-00		
980 01	90000182-00	011031	021008		75,000.00	BAD EFF-END-DTE / REVR-IND COMB		
0029 S	1 1313	9999	75029	125600		ABC INC.		
980 01	90000183-00	011031	021008		500.00	BAD EFF-END-DTE / REVR-IND COMB		
0029 S	1 1313	9999	75029	125600				

Sample Reclassification Report

CFY023-2 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
 05/28/03 (16.23) ***** RUN PAGE: 1
 REPORT ONLY RUN - RECLASS REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	GLAN	FUND FS	FD	MD	INDX	PCA	SOURCE	ASRC	SUBSID	VENDOR INFO	RECLASS	AMOUNT
980 01	90000180-00	010903	011029	1313	0029 S	00	1	9999	75029	125600			11111111-00		500.00	
980 01	90000184-00	011102	020131	1313	0029 S	00	1	9999	75030	125600			ABC INC.		500.00	
980 98	90000184-01	981103	990201	1500	0029 S	00	1	9999	75031	410054		15100000	DEPT OF AIR		500.00	
980 98	90000184-01	981209	990309	1500	0029 S	00	1	9999	75039	410054		15100000	DEPT OF AIR		1,000.00	

EXHIBIT I-10
TRANSACTION RUN - June 30

Sample Exception Report

CFY023-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
 06/30/03 (16.23) ***** RUN PAGE: 1
 TRANSACTION RUN - EXCEPTION REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE	
FUND FS	FD	MD	GLAN	INDEX PCA	SOURCE	SUBSID	VENDOR INFO
980 01	90000181-00	010729	021030		310,116.13	BAD EFF-END-DTE / REVR-IND COMB	
0029 S	1 1313	9999	75029	125660		11111111-00	
980 01	90000182-00	011031	021008		75,000.00	BAD EFF-END-DTE / REVR-IND COMB	
0029 S	1 1313	9999	75029	125600		ABC INC.	
980 01	90000183-00	011031	021008		500.00	BAD EFF-END-DTE / REVR-IND COMB	
0029 S	1 1313	9999	75029	125600			

Sample Reclassification Report

CFY023-3 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
 06/30/01 (16.23) ***** RUN PAGE: 1
 TRANSACTION RUN - TRANSACTIONS GENERATED

APPN	FFY	REF/CUR	DOC/SF	DOC-DT	LP-DT	TC	R	GLAN	FUND FS	FD	MD	INDX	PCA	SOURCE	AS	SUBSID	VENDOR INFO	AMOUNT
980 01	90000180-00	010903	060303	461	1313								9999	75029	125600		11111111-00	100.00
01	90000180-00	030630		576	1319	0029	S	00									11111111-00	100.00
01	90000184-00	011102	020131	461	1313								9999	75030	125600		ABC INC.	500.00
01	90000184-00	030630		576	1319	0029	S	00									ABC INC.	500.00
98	90000184-01	981103	990201	457	1500								9999	75031	410054	15100000	DEPT OF AIR	500.00
98	90000184-01	030630		576	1319	0029	S	00									DEPT OF AIR	500.00

EXHIBIT I-11
CONTROL REPORTS

Reports Only Run

CFY023-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
05/28/03 (16.23) ***** RUN PAGE: 1
REPORT ONLY RUN - CONTROL REPORT

TOTAL REVENUE DOCUMENT RECORDS:	10
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:	4
DOCUMENT RECORDS WITH ERRORS:	3
DOCUMENT RECORDS TO BE RECLASSIFIED:	3

Transaction Run

CFY023-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
06/30/03 (16.23) ***** RUN PAGE: 1
TRANSACTION RUN - CONTROL REPORT

TOTAL REVENUE DOCUMENT RECORDS:	10
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:	4
DOCUMENT RECORDS WITH ERRORS:	3
DOCUMENT RECORDS TO BE RECLASSIFIED:	3
REVERSAL TRANSACTIONS GENERATED:	3
RECLASS TRANSACTIONS GENERATED:	3
TOTAL BATCH HEADERS GENERATED:	1
TOTAL TRANSACTIONS GENERATED:	7

REVIEW OUTSTANDING DOCUMENTS

Receivables (General Ledger Accounts 1311 through 1500)

Verify that all open invoices are accurately reflected in CALSTARS by comparing the open invoices file to the D06 or D16 Report. Verify that **Due From Other Funds or Appropriations** and **Due From Other Governments** are correctly recorded in GLA's 1400 and 1500, respectively. The D11, Report of Document File Records with an Abnormal Balance, should be reviewed to insure that documents are recorded correctly.

Encumbrances (General Ledger Account 6150)

Verify that open encumbrances are accurately reflected in CALSTARS by comparing the file of open contracts or other encumbered documents to the D16 Report. It is recommended that all documents refer to a vendor on the Vendor Edit Table. TC 912 with a zero dollar amount (**000**, no decimal) may be used to add or change a vendor number to an encumbrance document if the VE Table entry exists or is made during the same day.

CAUTION! *When using TC 912, all classification elements must match the existing document. If not, the new data overlays the old data and may cause a conflict between the Document File and the Operating File. Always use the F4 Document File Retrieval function and a zero dollar amount. If a document is not open but has dollars in the Balance field, use an 'A' in the Modifier field to activate the document.*

Vendor Numbers are required for encumbrances if the vendor is a Federal, State, local governmental or other governmental agency. Each agency must review their Vendor Edit Table (Report X01 at 0001 level of detail) to verify that the Vendor Type is correct and used consistently. The Vendor Types are:

- C** - Corporation (Includes Non-profit Foundations)
- I** - Individual (Sole Proprietor)
- P** - Partnership
- E** - Estate (or Trust)
- 1** - Employee
- 2** - Federal Agency
- 3** - State Agency (Includes CSU and CSU Trustees)
- 4** - Local Government (Includes Cities and Counties)
- 5** - Other Governmental Entity (Includes school districts, community colleges, Regents/UC's, and other state governments)

The D07, Year-end Document File Report of Encumbrances, sorts all encumbrance documents by Vendor Type from the Vendor Edit Table and provides subtotals by PCA, if selected. Vendor Types **C**, **I**, **P**, **E** and **0** (if any exist) are sorted together on

the D07 Report. Encumbrance documents with no Vendor Number or with a Vendor Number that is no longer in the Vendor Edit Table are sorted together on the D07 Report. The Vendor Type is **blank** and the message 'VENDOR RECORD NOT FOUND ON VE' is displayed.

The D07 Report provides agencies with the means to reclassify encumbrances reported as accounts payable for "Due To's". The report should be requested with Fiscal Period **PY** in July just prior to its use so that any Vendor Types that were changed are properly reflected.

Payables (General Ledger Accounts 3010 through 3310)

Throughout the year, prior year expenditures are applied as liquidations to the liability accounts that were established at the end of the previous fiscal year. These payable documents on the D16 Report may have credit, debit or zero balances. Except in unusual circumstances, agencies will have liquidated the payables within a few months after the end of the fiscal year. Therefore, any balances remaining in these liability accounts are probably not valid. March or April is the time to review prior year payables and adjust them to zero. Exhibit I-12 displays the transaction codes that are available for this purpose.

Obligations (General Ledger Account 6170)

Obligations are generally defined as amounts owed for goods or services received that have not yet been paid. Obligation accounting in CALSTARS may be performed in one of two ways. First, under the concept of accrual accounting, monthly obligations may be recorded as the expenditures are incurred and tracked in the system as accounts payable. The second method of recording obligations is by estimating the average monthly amount of goods and services received but not yet paid and recording the estimate using GLA 6170-Obligations. This estimating process is referred to as the "encumbrance of the expenditure lag" method.

During the year-end closing process, actual obligations of the State must be recorded as expenditures with an offsetting credit to accounts payable.

Many reports using the Prior Year option ignore GLA 6170. Also, the year-end close process eliminates this account from the GL File.

Claims Filed (General Ledger Account 3020)

Verify that all unpaid claim schedules are accurately reflected in CALSTARS by reviewing the D05 Report. All claim schedule documents on the D05 Report which were paid by the SCO on or before 6/30 should have a zero balance.

EXHIBIT I-12
PRIOR YEAR PAYABLE LIQUIDATIONS

Payables with Credit Balances

Payables are likely to have **credit balances** for one of the following reasons:

- ✦ An overestimated accrual
- ✦ A transaction code debiting expenditures and not liquidating the payable was used when payment was made.

Enter the following transaction codes to liquidate the payable and credit expenditures.
The document number on the D16 is the reference document number on input.

<u>General Ledger Account</u>	<u>Transaction Code</u>
3010	205
3110	204
3210	201
3220	201
3290	201

Payables with Debit Balances

Payables with **debit balances** have been overliquidated.

Enter the following transaction codes to correct the overpayment of the accrual and debit expenditures. The document number on the D16 is the current document number on input, except for TC 498, which requires a reference document number.

<u>General Ledger Account</u>	<u>Transaction Code</u>
3010	498
3110	285
3210	283
3220	283
3290	283

Claims in Process (General Ledger Account 3021)

Verify that 'Claims in Process' has a zero balance on the month-end G01 Report. The H04 Report may be used for a detailed analysis of GLA 3021-Claims in Process for any specific month. (Report must be a special request for items older than the prior month.)

Office Revolving Fund

Verify that all outstanding travel advances, salary advances and expense advances are accurately stated in CALSTARS. Review open documents using the D02 and D08 reports. Use the HD1 Report for research.

Review Subsidiary Codes

GLA's 1400 and 3110 as well as other GLA's require a subsidiary code for each entry. The first four digits of the 8-digit subsidiary code must reflect the fund the amount is "Due to" or "Due from". The name on the subsidiary account must be ONLY the name of the fund. The D32 Descriptor Table should be reviewed to make certain that this convention is being followed and that the 4-digit code is in accordance with the *Uniform Codes Manual*. Also review the Subsidiaries On File Report S01 to ensure there is no GLA 1600 Subsidiary.

CALSTARS automatically reclassifies the GLA's 1400 and 3110 on the G02 Post-closing Trial Balance based on subsidiary information. GLA 1400 is reclassified to GLA 1420-Due From Other Appropriations Within the Same Fund, or GLA 1410-Due From Other Funds. GLA 3110 is reclassified to GLA 3115-Due to Other Appropriations Within the Same Fund or GLA 3114-Due to Other Funds.

GLA 1500-Due From Other Governments also requires a subsidiary code for each entry. The first four digits of the 8-digit subsidiary code must reflect the lower level GLA's of 1510, 1540 or 1590. The D32 Descriptor Table should be reviewed to make certain that this convention is being followed. CALSTARS automatically reclassifies GLA 1500 on the G02 Post-closing Trial Balance based on the subsidiary. The GLA 1500 is reclassified to GLA 1510-Due From Federal Government, GLA 1540-Due From School Districts, or GLA 1590-Due From Other Governmental Entities.

REVIEW OTHER AREAS

Plans of Financial Adjustment (PFA)

The amount of PFA Pending (the difference between "Net Cost Allocation" and "SCO PFA Posted" on the B04 Report) is shown on the DB1 Report and carried on the SCO reconciliation for each account. All PFA Pending amounts on a fund's SCO reconciliations must agree to the GLA 6297-Allocation Clearing Account within that fund.

If an agency either adjusted the PFA Worksheet before sending the PFA to the SCO or sent an estimated PFA to the SCO, the differences between the CALSTARS PFA Worksheet and the PFA sent to the SCO must be identified. Make necessary adjustments on the May PFA Transfer Letter, if possible. Any remaining differences will be included as accruals on the Accrual Worksheet.

The GLA 6297-Allocation Clearing Account should be analyzed to insure that any pending PFAs for reverting appropriations are submitted to the SCO before their cutoff (about June 15). Any documents from reverting appropriations must be cleared in the month of May to be included in the May PFA.

Documents from reverting appropriations cleared after the May fund split must be directly charged to the ultimate fund. This may be done successfully by following these two steps:

1. Change the PA Table distribution segment for the appropriate PCA to 100% for one ultimate fund (change the percentage for any other fund present to 0%); and,
2. When entering the transaction, override the disbursing fund segment so it is identical to the distribution segment (AS, Fund, FS, Method).

Fixed Assets (Fund 0997)

Fixed assets purchased from governmental funds should be accounted for in Fund 0997 using Fund Detail. GLA 2341-Equipment must reconcile to the capitalized equipment in the detailed property inventory records. Amounts recorded in GLA 2310-Land, GLA 2321-Buildings, GLA 2331-Improvements Other Than Buildings and any other GLA's for fixed assets must reconcile to the detailed property inventory records. See SAM Section 8600 for property accounting procedures.

Agencies must identify the fund that financed each fixed asset. Fund Detail (defined in the D23 Descriptor Table) is used for this purpose. *Even if an agency has used only one fund for fixed assets, fund detail must be used with all Fund 0997 transactions; eg., 0997.01--General Fund, 0997.02--Federal Trust Fund, etc.*

SWCAP and Pro Rata Charges

Verify that all Pro Rata and SWCAP charges have been correctly charged to the program/fund for which they were intended. Special funds are assessed Pro Rata to cover their share of the costs of State government. The Federal Government permits the State to recover a fair share of the state central services for those programs that are partially or wholly funded with Federal funds. Pro Rata must be borne only by the special funds for which they are intended. SWCAP may be charged ONLY to Federal funds.

Agencies that have Pro Rata or SWCAP charges should request a Q10 report with the following level of detail:

I = 0
P = 0
O = Level 3 or 4
F = 1

Check each fund for Object Details **438** and **439**. Object Detail **438** should only be in Special funds. Object Detail **439** should only be in Federal funds. Agencies with these Object Details in any other fund should contact their CALSTARS Analyst or the Hotline if assistance is needed.

General Review of Reports

Agency personnel who are knowledgeable of the various reports should review those reports for reasonableness. For example, the G01 Report should be reviewed to see if any general ledger accounts have abnormal balances. In non-shared funds, the GLA 1140-Cash in State Treasury on the SCO Fund Reconciliation Report must agree with CALSTARS GLA 1140-Cash in State Treasury for that fund. The Q25 Report should be reviewed to verify that receipt source codes are used correctly. The Clearing Account Expenditures on the month-end B04 Report should be zero.

ESTABLISH NEW YEAR TABLES

Before agencies determine the table structure for the next fiscal year, several areas must be reviewed. Staff responsible for this review should ask the following questions:

- ✪ Are the CALSTARS reports meeting management's needs? If not, why?
- ✪ Has the organization structure changed or will it change on July 1? If it is changing, have new Index Codes been selected?
- ✪ Are the agency object codes meeting the department's needs? If not, how should they be changed?

- ✧ Does the Appropriation Symbol Table accurately reflect the budget act and special legislation appropriations? Do the appropriation symbols agree with the SCO account structure? Is the SCO Account information in the AS Tables?
- ✧ Are there changes to the Program Structure effective July 1 as reflected in the Governor's Budget? Is the Legislature likely to take any action during their deliberations that will change the program or organization structure?
- ✧ Are the PCAs established to at least the level of the Governor's budget?
- ✧ Is the cost reporting system, if applicable, appropriate to the agency?
- ✧ Does the Cost Allocation Table reflect the Cost Allocation Plan? Is the cost allocation methodology changing for the next fiscal year?
- ✧ Is the method of Labor Distribution appropriate?

All of these areas should be carefully reviewed before generating or establishing tables for the next fiscal year. To be successful, each agency should have their review completed and the tables established prior to the heavy year-end period. The review should begin as early as March and be completed by June 1. All tables should be keyed or generated, reviewed and ready to accept new year transactions by July 1. The Appropriation Symbol, Index Code, Program Cost Account and Cost Allocation tables may be requested with Function **S** and Fiscal Year **nn** to print a specific fiscal year.

Organization Control (OC) Table Maintenance

A new year Organization Control Table record must be established before June 30. This new year OC Table record controls all system processing after July 1 except for edit overrides. The number of step downs on the new year OC Table record must be equal to the maximum number of step downs for any available year regardless of the number of step downs in the current year.

Prior fiscal year transactions are always processed using the OC Table error severity segment corresponding to the Funding Fiscal Year of the transaction. All other system activity is processed using the new fiscal year OC Table record.

The new year OC Table entry should be entered before any of the other new year tables are created. Prior to establishing the new year OC Table, review the section on the OC Table in Chapter IV of Volume 2. The fund control severity indicators in the new year OC Table should be reviewed and changed if necessary. For instance, appropriation, allotment and cash controls may need to be set to 'W' or 'I' until the new year appropriations and allotments have been loaded.

The OC Table may be entered from a blank screen or by viewing, then adding, the new table after changing some fields. It cannot be generated. To use the VIEW-ADD technique, view (**F5**) the current year table, key **A** for the Function, overkey only the data elements that need to be changed and press **Enter**. ***The RUN YEC indicator must be blank, the LAST STEP RUN indicator must be 00, the PRIOR-YEAR-OPEN indicator set to Y, and the CY-BR #1 indicator set to N.***

Generate (G) Function

Agencies are not required to enter all of their new fiscal year tables from input forms. New fiscal year tables or specific new records may be produced using Function **G** (**G=Generate**). Generated table transactions go through the same relational edits as **ADD** transactions. The difference is that generated table edits are **Warning Only**. The records post and any error messages are printed **only on the day table maintenance activity was done**.

The five tables that may be generated (must be generated in this order) are:

- ✧ Appropriation Symbol (AS)
- ✧ Index Code (IC)
- ✧ Program Cost Account (PA)
- ✧ Cost Allocation (CA)
- ✧ Employee Master (EM) (day after the Labor Distribution Control (LC) Table is entered)

To generate a complete table listing for the new Funding Fiscal Year, select that table from the Master Menu, enter Function **G** and the current Funding Fiscal Year. For example, to generate Fiscal Year 2001-02 tables, use **G** and **00**. To generate a single new year table record, enter Function **G**, the specific code (Index, PCA, etc.) of the record to be generated and the current Funding Fiscal Year.

All generated tables should be reviewed. Changes or deletions should be made immediately. The new Funding Fiscal Year tables might need to be updated to reflect changes between the current and prior fiscal year. For example, if allotments were used in the prior year but their use is being discontinued in the current year, the allotment file indicators in the AS, IC and PA tables must be changed in the new Funding Fiscal Year tables to reflect this change. To make this process easier, prints of all the above tables may now be requested by Funding Fiscal Year. Request a table listing for the new Funding Fiscal Year by entering Function **S** and the new Funding Fiscal Year. For example, to request 2001-02 tables, use **S** and **01**.

All generated table records are fully edited. Remember, establishing a table through the Generate (**G**) function is the same as creating entries through the Add (**A**) function, except a generated table record will always post and the error message (if any) is a warning and only printed the day maintenance is done.

Global Delete (X) Function

Agencies may also delete all of the table entries by Funding Fiscal Year for any of the above tables. To use the Global Delete function, enter Function **X** (**X=DEL FFY**) and the Funding Fiscal Year of the year to be globally deleted. (To save a few entries, View (**F5**) and then Add (Function **A**) each record. This must be done on the same day as the Global Delete.) When Function **X** is used, a separate table

maintenance activity report, CFB9nO-3, is produced displaying all the table records that were deleted. Global Delete cannot be used for the current, prior or prior-prior fiscal years. Do not delete table records that may be needed to liquidate documents.

Active/Inactive Indicator

Most tables have an **Active/Inactive** indicator. When the indicator is set to **Active (0)**, posting is allowed. When the indicator is set to **Inactive (1)**, an error message shows that the table has been identified as **Inactive** and the posting is treated accordingly. Inactive table entries are generated into the new year with the same Indicator (**0** or **1**) as the existing tables(s).

Appropriation Symbol (AS) Table Maintenance

Account Types

Account Type is an important factor in developing the Appropriation Symbol tables. See the AS Table sub-chapter in Volume 2, Chapter IV, for valid Account Types.

NOTE: The Office Revolving Fund Advance must be established in the advancing fund using Account Type **97**.

Dates

A careful review of dates should be done for existing and generated records. The AS Table dates are in the *MMDDYYYY* format, with *YYYY* being any valid year between 1921 and 2020. For appropriations without regard to year, the ENCUMBRANCE AVAILABILITY DATE and the REVERSION DATE should be set to 99/99/9999.

Reimbursements

The B06 Report, Final Budget Report, can display more than one line of reimbursements when shown that way in the Budget Act. An Appropriation Symbol should be established for each separate appropriated reimbursement line in the Budget Act. Agencies with only one appropriated reimbursement line should have only one Appropriation Symbol. To segregate reimbursements properly by program on the Q25 Report, use more than one PCA.

Reversion Indicators

The reversion indicator values are:

- 0** - Reversion does not apply
- 1** - Reversion applies
- 2** - Continuing appropriation
- 9** - Continuing appropriation - Statutory

CALSTARS uses this indicator for the following three major processes during the year-end closing process. The reversion indicators in the existing appropriation symbols need to be reviewed as follows. In addition, year-end processing related to these reversion indicators is discussed in Volume 7, Chapter VI, Exhibits VI-7 through VI-10.

Reverting Appropriations

CALSTARS provides two automated processes (CFY022 - Document File Reclassification/Liquidation and CFY023 - Revenue Reversal/Reclassification, see discussion beginning on page I-12) to assist agencies to identify, liquidate and/or reclassify documents within reverting appropriations. These two processes use the Reversion Indicator and Reversion Date to determine which appropriations will revert on or before June 30. To use these automated processes for appropriations that will revert on or before June 30, the AS Table must be coded as follows by the end of March:

- (1) Set the Reversion Indicator to **1**.
- (2) Set the Reversion Date to June 30, **20nn** (nn= current calendar year) or earlier.

Continuing Appropriations

Continuing appropriations generally include two different types of appropriations. The first type includes appropriations that continue encumbrance and expenditure availability beyond the first year of availability (e.g., Capital Outlay). The second type generally includes Statutory appropriations that continue from year to year.

All encumbrances, including encumbrances of continuing appropriations, are reported as expenditures at year-end. For ease of accounting, CALSTARS moves encumbrances of continuing appropriations to the current FFY. Encumbrances for continuing appropriations are automatically moved to the new FFY during the Year-end Close (YEC) process.

WARNING: All encumbrances for continuing appropriations (Reversion Indicator **2** or **9**) are automatically moved to the new FFY during the YEC process. If the agency does not want to automatically move these encumbrances to the new FFY, the Reversion Indicator must be changed to **0** prior to running the YEC process (OC Table RUN YEC = **C**).

Exhibit I-13 displays two examples of continuing appropriations with the appropriate year-end treatment of unencumbered balances and unliquidated encumbrances.

Generate

Various factors impact the generated table maintenance (Function **G**) for the AS Table. AS Table records are generated according to the table below.

AS Table Generate Function Logic Table			
AS Table Record Value:			Result
Reversion Ind.	Start Date within the fiscal year (7-1-YYYY through 6-30-YYYY) of the 'Generate' maintenance transaction FFY?	Account Type is 00, 85, 90, 91, 92, 95, 96, 97, 98, 99, CA or RR?	
0	Yes	Yes	Generate function creates new record with: The Enactment Year and the SCO Account Enactment Year is set to the current AS Table FFY + 1. The Chapter and the SCO Account Chapter is set to BAYYYY (where YYYY is the new 4-digit FFY) ^{1/} . The Start Date, Encumbrance Availability Date and the Reversion Date are incremented by one year (+1).
		No	Generate function generates new FFY record with no changes to information.
	No	Yes	Generate function generates new FFY record with no changes to information.
		No	Generate function generates new FFY record with no changes to information.
1			No new record generated.
2 or 9			Generate function generates new FFY record with no changes to information.

^{1/} When the Budget Act is signed and Chaptered, an automated process is run to replace "BAYyyy" with the actual Chapter citation. A CALSTARS News item is issued to explain this process before it happens.

Reference 980 for Revenue

All agencies should use Reference **980** for all revenue accounts unless the SCO uses a different Reference on their Agency Reconciliation Report. Reference **980** will not print on the HB4, DB1, or D16 reports.

EXHIBIT I-13
CONTINUING APPROPRIATIONS

SITUATION: A typical five-year appropriation where the first three years are available for encumbrances and expenditures and the final two years are available for liquidating encumbrances only.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES ^{1/}	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
01	01	2	1 or 5	Carry forward to FFY 02	Requires New Year Tables ^{2/}
01	02	2	4	Carry forward to FFY 03	Requires New Year Tables ^{2/}
01	03	0	4	Stays in FFY 03	
01	04	No new tables are established	Does not apply		
01	05	Reversion Indicator in FY 01, 02 and 03 is set to '1'	All balances revert. (Except those that support real GLAs, i.e., Prepayments and Cost Allocation when Net Allocation ≠ SCO PFA Posted)		

SITUATION: A typical Statutory appropriation, which continues availability from year to year.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES ^{1/}	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
01	01	9	5	Carry forward to FFY 02	Requires New Year Tables every year ^{2/}
01	02	9	2	Carry forward to FFY 03	Requires New Year Tables every year ^{2/}
Subsequent years are treated the same as the second year, with the FFY incremented by +1 each year.					

^{1/} Year-end processing related to continuing appropriations is discussed in the *Appropriation File Carry Forward*, *Allotment File Carry Forward*, and *Document File Carry Forward* sections of Chapter VI.

^{2/} Appropriation Symbol, PCA, Index, and other tables as appropriate.

Special Deposit Fund

At least one Appropriation Symbol and one PCA code must be established for each agency expenditure Special Deposit Fund account. In addition, a separate Fund Detail must be established for each account within the Special Deposit Fund (0942). Each PCA code should look up the appropriate fund detail code to ensure each transaction is posted to the correct fund detail as defined in the D23 Descriptor Table.

If an account in the Special Deposit Fund does not fund expenditures for a program activity, then the CFIS Program Level Indicator in the PCA table should be coded with a **0** (No program identification). Examples of these accounts are Unclaimed Trust Money, Tax Sheltered Annuities and Vacation Trust Account.

Reconcile these accounts by comparing the SCO balance to GLA 3500-Liabilities for Deposits at the Fund Detail level. Transactions in these accounts must never post to nominal accounts.

If an account in the Special Deposit Fund does fund expenditures in real program activities, the PCA and Appropriation Symbol must look up real programs. The CFIS Program Level Indicator in the PCA table should be coded with a **1, 2, 3 or 4** (program, element, component or task). The balance in GLA 1140-Cash in State Treasury at the Fund Detail level is used to reconcile to SCO. Transactions in these accounts should be recorded in nominal accounts and never recorded in GLA 3500-Liabilities for Deposits.

Each Fund Detail established must be supported by a D23 Descriptor Table entry with the correct indicators.

Budget Sequence (BS) Table Maintenance

A Budget Sequence (BudSeq) Table record **001** must be established for each unique Budget Act item (Organization-Reference-Fund) anticipated in the new fiscal year before posting any budget transactions. These table entries cannot be generated. For continuing appropriations (AS Table Reversion Indicators **2** and **9**), the BudSeq **001** records must be established prior to running Year-end Close to accommodate the automatic Appropriation File Carry Forward process.

Index Code (IC) Table Maintenance

Any changes to the organization structure must be considered before creating the new year Index Code tables. New year tables produced using Function **G** must be reviewed.

Special Index Codes

Agencies maintaining appropriations or general ledger by Section must establish alpha-numeric Index Codes in their IC Table by FFY prior to the Year-end Close process. These Index Codes are used to:

- ✦ Carry forward **appropriations** into the new year if appropriations are maintained by Section; and/or
- ✦ Carry forward real account **general ledger account balances** into the new year if general ledgers are maintained by Section.

The carry forward of balances of both the appropriation and general ledger files is performed through the system generation of accounting transactions. If appropriations are maintained by Section, an Index Code for each FFY must be in the new year IC Table. Similarly, if general ledgers are maintained by Section, an Index Code for current FFY must also be present. Transactions generated from the Year-end Close process use an Index Code with the first two digits being "XX" and the second two digits equaling the Section.

Program Cost Account (PA) Table Maintenance

Changes to the existing program structure must be considered before creating the new year PA Tables. New year tables produced using Function **G** must be reviewed. If your agency uses the PA Table to look up Project Numbers, a review must be done to insure the Work Phases are appropriate for the new year.

Continuing Appropriations

When encumbrances for continuing appropriations are moved to the new FFY during the YEC process, the PA Table Appropriation Method from the new FFY is used to determine the Appropriation Method in the new year Document File record. Agencies should review PCAs for continuing appropriations in the new FFY prior to running the YEC process.

Cost Allocation (CA) Table Maintenance

Changes to the existing program structure or cost allocation methodology in the new year must be considered before creating the new year CA tables. New year tables produced using Function **G** must be reviewed. The new year OC Table must be in place before adding or generating CA Table records and before attempting to run any process after June 30th.

Labor Distribution Table Maintenance

Changes to the program structure or organization structure need to be considered before creating the new year labor tables. The Labor Distribution Control (LC) Table cannot be generated. The Employee Master (EM) Table may be generated using Function **G**. The new year LC Table must be established at least one day before

generating the EM Table. Indexes, PCAs and Agency Objects (D12 Descriptor Table) must be in place before creating any Labor tables. New year tables produced using Function **G** must be reviewed.

Project Control (PC) Table Maintenance

The PC Table is not controlled by FFY, therefore, the generate function is not available. The PC Table is most commonly used to identify and track federal grants but may also be used for OSA advances, capital outlay projects and agency contracts or special projects.

Each agency anticipating Federal funds during any fiscal year must have an 'FEDFPN/99' Project Number/Work Phase PC Table record on file (for system use). When generating transactions in the year-end carry forward process, CALSTARS looks for a Project Number/Work Phase in each transaction that includes Federal funding (Federal Trust Fund or other Federal fund). If the fund for a record is identified as Federal per the D22 Fund Descriptor Table (Shared Fund indicator) and it does not contain a Project Number/Work Phase, CALSTARS inserts **FEDFPN/99** as the Project Number/Work Phase. This prevents EA5 and EA6 errors during batch editing. This Project Number/Work Phase is used as a convenience to bypass some of the batch edits. It is not used for any file posting.

Dates

Carefully review the dates on existing and generated records. The PC Table dates are in the *MMDDYY* format. For projects which do not have a specific end date, the END DATE should be set to 12/31/20 (the furthest date into the future that is currently allowed).

Grant Project File Purge

The PC Table entries control the relation of the Grant Project File records. A Grant Project File record may be purged by deleting the PC Table entry. The Grant Project File record remains available until the Year-end Close process is invoked. During this process, Grant Project File records without corresponding PC Table entries are purged.

Vendor Edit (VE) Table Maintenance

The VE Table requires no specific maintenance; however, special purpose Vendor Numbers (**AAAAAAAAAA-nn**) should be verified either through a current table listing or the on-line VE Table. Special purpose Vendor Numbers contain the names and titles used on the CALSTARS year-end reports and the distribution information on report flag sheets.

Year-end Report Names and Titles

Standard CALSTARS reports used as year-end financial reports carry the required certification statements. Within the certification, the agency head's name and title and the Accounting Officer's name and title appear if the following Vendor Edit table entries are present:

- 1) Vendor Number: **AAAAAAAAAA-10**
 Vendor Name: Accounting Officer Name
 Address Line 1: Accounting Officer title
 City: The city that should appear on the certification.
- 2) Vendor Number: **AAAAAAAAAA-20**
 Vendor Name: Head of Agency's Name
 Address Line 1: Head of Agency's Title
 City: The city that should appear on the certification.

Report Distribution Flag Sheets

Reports with a report destination of **L1** (Laser printer) and **M1** (microfiche) are routed through the CALSTARS office in Sacramento. The Production Control data guidance staff separates and packages reports for delivery or mailing. A Flag Sheet is used for the delivery or mailing label. Agencies update flag sheet changes by changing the information in Vendor Number **AAAAAAAAAA-90**. When updating, it is important to follow the format exactly as shown below:

Vendor Number:	AAAAAAAAAA-90
Vendor Name:	Office Name, i.e., Accounting Office
Address Line 1:	Department, Board or Commission Name
Address Line 2:	Delivery or mailing address
Address Line 3:	(If needed)
City:	City
State and ZIP Code:	State and ZIP Code
Contact Name:	Person to receive reports (If reports are mailed, enter "US MAIL" in this space)
Phone:	Contact Person's Area Code and Phone Number

NEW YEAR PAYMENTS AGAINST CONTINUING APPROPRIATIONS PRIOR TO YEC

At year-end all encumbrances, including encumbrances for continuing appropriations, are reported as expenditures in the FFY in which they are encumbered. For ease of accounting purposes, CALSTARS rolls encumbrances of continuing appropriations to the new FFY during the Year-end Close (YEC) process. This presents a problem for payments made beginning July 1 through the date that YEC is run. To resolve the problem during this period, agencies should disencumber the amount of the payment against the existing document in the prior FFY using TC 210. The payment should then be recorded against the new FFY using TC 231 or 240, as appropriate. Both the liquidation and payment transactions should be recorded in the current fiscal month (FM 01, FM 02, etc.). When the balance of the encumbrance is carried forward to the new FFY by the YEC process, only the net amount of the encumbrance is carried forward. This allows all payments to be recorded against the new FFY.